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SUBJECT: A BLEAK SPRING FOR LAKE TAI

REF: BEIJING 4127

(SBU) Sensitive but unclassified. Not for dissemination outside USG channels.

¶1. (SBU) Summary: Since mid-May, Lake Tai, the third-largest freshwater lake in China, has experienced a massive outbreak of blue-green algae. In a series of recent meetings with Congenoffs, government officials and academics in Jiangsu Province discussed the enormous challenges confronting Lake Tai.

Both officials and academics agreed that it would take years, if not decades, to see any significant improvement in Lake Tai and the surrounding rivers. One official noted that in early June there was also a blue-algae outbreak in neighboring Lake Chao, China's fifth-largest freshwater lake. Jiangsu officials also briefed Congenoffs on the case of detained environmental activist Wu Lihong, who was currently awaiting a retrial on extortion charges related to whistle blowing on factories that pollute Lake Tai and its tributaries. One local official reported that Wu was charged with extorting USD 6500 from local businesses, and another claimed Wu personally tried to extort money from him. End Summary.

Lake Tai: "All Better Now"

¶2. (SBU) Since mid-May, Lake Tai has been struggling against a massive outbreak of blue-green algae. In a June 21 meeting, Wuxi Foreign Affairs Office (FAO) Director Cai Dagang briefed the Consul General and Econoff on the Lake Tai crisis. Cai said the water in Lake Tai was now actually better than before the outbreak. The water quality was currently at "level three" versus the normal pre-outbreak "level four." However, during the crisis, the water quality was "worse than level five." Wuxi anticipated a second outbreak of blue-algae this summer but thought it would strike in July and August. (Note: The meeting was requested by the Wuxi FAO who had traveled to Shanghai to meet with many of the Consulates one-on-one to discuss the Lake Tai crisis.)

How It Got To This Point

¶3. (SBU) In a June 14 meeting with Econoffs, Jiangsu Environmental Protection Department (EPD) Director for International Cooperation Huang Yibin explained that in recent years the algae outbreak occurred annually, but this year a combination of factors led to a larger than expected outbreak: lowest water levels in 50 years; excessive heat; and excessive pollution as a result of chemical factory discharge, agricultural waste and human waste. Huang felt that the crisis was caused by "70 percent natural factors and 30 percent human factors." According to Nanjing Environmental Science Institute Vice Director Wang Hua, there were over 100 rivers that flow into Lake Tai, many of which were tributaries linking the Yangtze River and Lake Tai. The watershed district covered two provinces, Jiangsu and Zhejiang, and supported a population of over 40 million people. Lake Tai was 2, 250 square kilometers and was very shallow with an average depth of 1.8 meters, and it has historically suffered from an extremely low rate of waterflow. According to the Chinese newspaper, First Financial Daily, there were more than 8,500 chemical factories in the watershed district, most of which were small-scale. In April, CCTV's program "Focus Interview," (Jiao Dian Fang Tan) caught several chemical plants on camera in the act of discharging pollutants into Lake Tai. CCTV then showed the footage to government officials who did not respond. To date, the five government officials who viewed the videos were the only officials to have been removed from their positions - three in the town of Zhoutie and two in Yixing city.

¶4. (SBU) Jiangsu EPD's Huang said the Jiangsu government began to treat sewage discharged into Lake Tai, the Yangtze River and the Huai River in 1996. However, according to SEPA the nitrogen levels in the lake tripled between 1996 and 2006. Since 1996, plants listed as "fifteen types of small plants" including chemical, dying and painting, paper mill and plating factories

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have been closed. Beginning in January 2007 the Jiangsu government stopped approving permits for new chemical factories with less than USD 4 million initial investment.

Local Government's Response to the Outbreak

¶5. (SBU) In response to the recent outbreak, Wuxi drafted a treatment plan that they call "6-6-9-9." The name refers to six working mechanisms, six emergency response methods, nine water clean-up projects and nine pollution treatment measures. According to FAO Director Cai, the treatment plan would include the major cities of the Lake Tai watershed district; Wuxi, Suzhou and Changzhou. They have established two working groups that were each led by a deputy provincial governor: Emergency Response Group and Pollution Treatment & Prevention Group. Cai noted that in a recent working group meeting Deputy Premier Zeng Peiyan emphasized the importance of cooperation between Jiangsu and Zhejiang provinces in managing Lake Tai.

¶6. (SBU) FAO Director Cai said that earlier this year construction of a new water treatment facility was started. The new facility was being built in two phases, the first, to be completed in April 2008 will provide 400,000 tons of water per day, and the second phase to be completed by December 2008 will provide an additional 800,000 tons. The facility will use water from Yangtze River and was projected to meet the daily needs of the Wuxi residents. The entire plan has been accelerated as a result of the current crisis in Lake Tai.

Consulate's DVC on Environmental Challenges - Serendipity?

¶7. (SBU) On May 17, just days before the Lake Tai story broke, ConGen Shanghai hosted a Digital Video Conference (DVC) on Environmental Challenges, planned months in advance, that was well-attended by the Jiangsu EPD. The DVC featured U.S. EPA

Policy Coordination, and Communication Branch Great Lakes National Program Office Chief Vicki Thomas who discussed the clean-up of the Great Lakes beginning in the 1970's. During the Q&A session, Jiangsu EPD Office of International Cooperation Deputy Director Cao Zhihong drilled Thomas on how cities and states found a way to work together to combat pollution in the Great Lakes and how much money it cost. In the meeting with Econoffs a month later, Cao revisited the topic saying that, in comparison with the amount spent on cleaning up the Great Lakes, China would not have the same financial resources necessary to clean up its rivers and lakes.

Lake Chao: Another Crisis on the Horizon?

¶9. (SBU) The blue-green algae problem is not isolated to Lake Tai. The fifth largest lake in China, Lake Chao, located in Anhui province 15 miles from the city of Hefei, also experienced a blue-green algae crisis this summer. According to State Environmental Protection Administration (SEPA) Regional Office Deputy Director Miao Xubo in a June 14 meeting, the situation in Lake Chao was much worse than Lake Tai. However, Lake Chao was located in the poorer, less densely-populated Anhui province, so it has not garnered as much attention as Lake Tai. Lake Chao supports a population of around five million people.

Wu Lihong: Activist or Extortionist?

¶11. (SBU) In meetings with Jiangsu EPD officials and Jiangsu Provincial Environmental Research Institute Vice-Director Wang Hua on June 14, Congenoffs raised the issue of environmental activist Wu Lihong who was arrested by local officials in Yixing, Jiangsu on April 13. Jiangsu officials said that Wu Lihong had been a pioneer in environmental activism, but that he had recently turned to blackmail. Jiangsu EPD's Huang said that Wu Lihong had threatened to blackmail him earlier this year. Hong Kong press reports said that Wu had been planning to travel

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to Beijing on April 15 to raise environmental issues at the national level. On April 13, 50-60 police surrounded his house and detained Wu. Police also confiscated computer equipment, cameras, albums and business cards.

¶12. (SBU) Since 1991, Wu had reported on the illegal activities of more than 2000 factories on, or near, Lake Tai. Chemical plants reportedly account for most of the local taxes received in the area and some of the plant owners were representatives of local Municipal Peoples Congress and Chinese People Political Consultative Conference. Initial press reports indicated that Wu was arrested for contact with foreign officials, but Wu was ultimately charged with extortion. According to Wuxi FAO Director Cai, Wu has been charged with extorting USD 6500 from local businesses.

¶13. (SBU) According to Jiangsu EPD's Huang, Wu had reported many environment pollution cases to Jiangsu EPD and that they had rewarded him with awards and financial incentives (approximately USD 125). After receiving Jiangsu EPD financial incentives, when Wu caught plants discharging sewage, he allegedly asked plants for money. If they gave him money, he would keep silent. If not, he would report to the government. Last year Huang said he received a message from Wu reporting a plant pollution case and threatened him if he did not "solve the problem." Huang would not elaborate on the nature of Wu's threat.

¶14. (SBU) Xinhua reported that on June 12 Wu was found guilty and would be sentenced on June 21, but then on June 21 reported that his conviction had been stayed and that the courts would reexamine the case. According to Wuxi FAO Director Cai Wu, the final court ruling would be issued "soon."

Comment

¶15. (SBU) The environmental challenges facing East China are daunting. Although China's top leadership is committed to improving the environment, local officials seem unwilling to place the environment ahead of economic development. NESI Vice Director Wang Hua feared that the only way that real changes would occur was in response to major crises, such as Lake Tai and 2006's Songhua River crisis. She added that, in China, if all levels of the government were seriously committed to solving a problem there was no doubt that it would be solved. End

Comment.
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